

United States
Department of the Interior
Bureau of Land Management

Miles City Field Office

Soap Creek Associates

APD

Determination of NEPA Adequacy
DOI-BLM-MT-C020-2013-0175-DNA

For Further Information Please Contact:

Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301
406-233-2800

BLM



Worksheet
Documentation of NEPA Adequacy (DNA)
U.S. Department of the Interior
Bureau of Land Management (BLM)

BLM Office: Miles City, Montana

NEPA Number: DOI-BLM-MT-C020-2013-175-DNA

Case File/Project No:

Proposed Action Title/Type: The APD for drilling of a well for the exploration and testing for productive oil potential.

Location/Legal Description: NWSE Section 13, T6S-R32E

A: Description of the Proposed Action: Drill a well (Crow Tribal 13-7) to test the Tensleep formation for productive potential of oil.

Applicant: Soap Creek Associates, Inc.

County: Big Horn

DNA Originator: Paul Helland

B. Land Use Plan (LUP) Conformance

LUP Name* _____ Date Approved _____

Other document** EA prepared for the BIA, Crow Agency Date Approved 6-25-2013

Other document** _____ Date Approved _____

**List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)*

***The BLM does not write surface NEPA documents for resources on Indian Reservations or development of Indian minerals off the reservation. That responsibility belongs to the Bureau of Indian Affairs. Therefore, there is not a BLM LUP for this proposed action. This DNA documents the BLM's review regarding the down hole portion of this action and is tiered to the NEPA document that was approved by the BIA-Ft. Peck office for the above well.*

☐ **N/A** The proposed action is in conformance with the applicable LUPs because it is specifically provided for in the following LUP decisions:

☐ **N/A** The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions)

C. Identify applicable National Environmental Policy Act (NEPA) document(s) and other related documents that cover the proposed action.

D. NEPA Adequacy Criteria

- 1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?** Down hole portions of this well including protection of surface and subsurface resources with regard to the drilling and casing program are analyzed in the above mentioned environmental document.
 - 2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, resource values?** Yes, the range of alternatives considered in the EA (to allow the drilling of these proposed wells or not allow the drilling of these wells) is appropriate for this action.
 - 3. Is the existing analysis valid in light of any new information or circumstances (such as rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstance would not substantially change the analysis of the new proposed action?** Yes, the EA was recently completed and there are no known new circumstances or new information that would significantly change the analysis or conclusions.
- 1. Are the direct, indirect and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?** Yes, and compliance with the Drilling Plan and Conditions of Approval will mitigate the effects of this action as disclosed in the NEPA analysis. The proposed well will have surface casing fully cemented. Production casing will be cemented to isolate the productive zone and protect ground water and other subsurface resources.

Down hole cumulative effects would be limited by isolating and protecting subsurface resources using cemented casings. Subsurface cumulative effects would then be limited to the partial depletion of oil and/or natural gas in the target formation (the Tensleep formation).
 - 2. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?** Yes, the BIA and BLM have both been involved in the review of this proposed action and coordinated with Tribal representatives.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the preparation of this worksheet.

<u>Name</u>	<u>Title</u>	<u>Resource Represented</u>	<u>Initials & Date</u>
Paul Helland	Petroleum Engineer	Minerals	PH 6/27/2013
Rick Lang	NRS	Minerals	RCL 6/27/2013
David Breisch	Assistant Field Manager	Minerals	DJB 6/28/13

Environmental Coordinator

Date

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s). List the specific mitigation measures or identify an attachment that includes those specific mitigation measures. Document that these applicable mitigation measures must be incorporated and implemented.

Please see attached COAs.

CONCLUSION

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Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.

Note: If one or more of the criteria are not met, a conclusion of conformance and/or NEPA adequacy cannot be made and this box cannot be checked

Todd D. Yeager
Field Manager
Miles City Field Office

Date

CONDITIONS OF APPROVAL

1. Site Specific:

As per the USFWS Standard Conditions and Recommendations, work would cease if whooping crane sightings occur within one mile of the proposed project area. In coordination of the Service, work may resume when the crane(s) have left the area.

The operator must comply with applicable State (Montana DEQ) and Federal (EPA) regulations to minimize impacts to air quality.

Install a silt fence, wattles, or other sediment control along all toe slopes of the pad location.

Immediately establish vegetation growth after interim reclamation and topsoil placement.

A. Production Facilities:

1. If a tank battery is constructed on location, each tank setting, treater, and separator, must be surrounded on all sides by an impermeable dike of sufficient capacity to adequately contain 110% of the contents of the largest vessel within it, plus one (1) day's production.
2. Heater treater, incinerator and combustor exhaust stacks shall be fitted with an "exhaust cone" to prevent mortality to bats and nesting birds.
3. All above ground facilities shall be painted Covert Green 18-0617TPX within six months of well completion and maintained as such to comply with visual quality objectives.

B. Drilling Operations:

1. The pit shall be fenced on three sides during drilling operations and the fourth side after completion of drilling operations. The fence shall be constructed to the following requirements: posts to be no more than 16' apart; fence wire: four wires of at least 12.5 gauge, double strand twisted; two stays between posts; wire stretched taut between brace panels, wire spacing from the ground up: 14", 22", 30", 42" OR steel panels may be used to fence the pit. If steel panels are used, a steel post shall be placed every 4' to reinforce panels. Fence shall be maintained to prevent livestock and wildlife from entering the area until pit is reclaimed.
2. Storage tanks must be on the pad and surrounded with a dike and trench sloped to the cuttings pit.
3. If cuttings pit contains any fluids during active drilling, it shall be netted to prevent the entry of migratory birds and other wildlife.
4. If cuttings pit contains any fluids, a minimum of 2 feet of freeboard shall be maintained in the pit.
5. The pit shall be lined with a minimum 12 millimeter impermeable synthetic liner and permeability < 10⁻⁷ cm/sec; resistant to UV, weathering, chemicals, punctures, and tearing; and be placed on bedding material if bedrock is abrasive. The liner shall be installed in accordance with the manufactures requirements on material that will not tear or puncture the liner.

6. A variance is granted to test BOP choke manifold, and related pressure control equipment to 300 psi.
7. Variance from minimum 10% depth standard for surface casing proposed to 250' per standard practice in area.
8. The operator is responsible for the suppression of any fires started as a result of operations. The contractor must have the necessary equipment, including fire extinguishers or water, to provide initial suppression of fire.

C. Pit reclamation:

1. If cuttings pit contains fluids and active drilling is not occurring, operator shall reclaim pit immediately upon cessation of drilling operations or shall net the entire pit to prevent the entry of migratory birds and other wildlife until the pit is reclaimed.
2. All pit(s) shall be emptied of all fluids within 90 days after completion of drilling operations.
3. The pit may not be cut or trenched.
4. The pit material shall be covered with a minimum of 3 feet of overburden. The pit shall be closed properly to assure protection of soil, water, and vegetation.

D. Waste Disposal:

1. Any materials classified as nonexempt hazardous wastes shall be disposed of in an EPA approved facility.
2. Burning of materials or oil is not allowed.

2. Verbal Notifications

The following notifications shall be made to the BLM, Miles City Field Office (MCFO) (406) 233-2800, or after business hours to the appropriate individual's home phone shown on the list attached.

- A. Notify this office verbally at least 48 hours prior to beginning construction.
- B. Notify this office verbally at least 12 hours prior to spudding the well (to be followed up in writing within 5 days).
- C. Notify this office verbally at least 12 hours prior to running any casing or conducting any BOP tests (to be followed up in writing within 5 days).
- D. Notify this office verbally at least 6 hours prior to commencing any DST test.
- E. Notify this office verbally at least 24 hours prior to plugging the well to receive verbal plugging orders.

3. A complete copy of the approved Application for Permit to Drill (APD), including conditions, stipulations, and the H2S contingency plan (if required) shall be available for reference at the well site during the drilling phases. **A copy of the approved Surface Use Plan of Operations and Conditions of Approval (COAs) shall be provided to the surface owner(s) prior to initiating construction.**
4. This drilling permit is valid for either two year from the approval date or until lease expiration, whichever occurs first.
5. If any cultural values (sites, artifacts, human remains, etc.) are observed during operation of this lease/permit/right-of-way, they are to be left intact and the BLM, Miles City Field Office and BIA notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they would be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is immediately to stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days, the AO would inform the operator as to:
 - A. whether the materials appear eligible for the National Register of Historic Places;
 - B. the mitigation measures the operator would likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - C. a timeframe for the AO to complete an expedited review under 35 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

6. The Operator shall be responsible for control of noxious weeds occurring as a result of lease operations. The surface owner shall be responsible for approval of the weed control program.
7. The abandonment marker shall exhibit the same information required for the well sign. The abandonment marker (steel plate welded to surface casing 4' below ground level) shall be installed when the well is plugged.
8. Additional requirements may be imposed if changes in operational and/or environmental conditions dictate.

You have the right to request a State Director Review of this decision and these Conditions of Approval pursuant to 43 CFR 3165.3(b). An SDR request, including all supporting documentation must be filed with the Montana State Office, State Director (MT-920) at 5001 Southgate Drive, Billings, Montana 59101-4669 within 20 business days of your receipt of this decision. If adversely affected by the State Director's decision, it can be further appealed to the Interior Board of Land Appeals (IBLA) pursuant to 43 CFR 3165.4, 43 CFR 4.411, and 43 CFR 4.413. Should you fail to timely request an SDR, or after receiving the State Director's decision, fail to timely file an appeal with IBLA, no further administrative review of this decision will be possible.